



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: June 18, 2013

AGENDA TITLE: Consideration of a motion to accept the May 14, 2013 study session summary on a Comprehensive Housing Strategy.

PRESENTERS

Jane S. Brautigam, City Manager
Paul J. Fetherston, Deputy City Manager
Jeff Yegian, Acting Housing Division Manager
Eric Ameigh, Senior Project Manager, City Manager's Office
David Driskell, Executive Director of Community Planning and Sustainability
Susan Richstone, Deputy Director of Community Planning and Sustainability
Lesli Ellis, Comprehensive Planning Manager
Jeff Hirt, Planner II

EXECUTIVE SUMMARY

This agenda item provides a summary of the May 14, 2013 study session on a Comprehensive Housing Strategy. The purpose of this study session was to:

- Launch a significant planning effort to develop a next generation housing strategy and related implementation tools which could respond effectively to current and projected housing issues and needs in a manner consistent with the community's vision and values.
- Define guiding principles, assumptions and a process framework for developing the strategy.
- Build consensus around the approach, process and timeline for engaging the community in this effort.

Staff presented draft proposals for a purpose statement, key assumptions, guiding principles, and strategy development process. Council discussed these project components and made some adjustments. Staff will begin first phase activities immediately and plan for a follow up study session in October.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff recommends Council consideration of this summary and action in the form of the following motion:

Motion to accept the May 14, 2013 study session summary on a Comprehensive Housing Strategy.

NEXT STEPS

- June – August 2013: Staff will develop Requests for Proposals (RFPs) for a housing needs assessment, best practices research, and a housing choice analysis. RFPs will be issued and consultant services secured to assist in gathering data to support the strategy development process. The housing needs assessment will be funded with affordable housing funds and the best practices research and housing choice analysis will be funded with planning funds.
- September 2013: Staff will tentatively plan for a public open house to share draft results of the initial research.
- October 2013: Council will receive an update on the results of the initial research as well as plans for next phase community engagement and provide input.

ATTACHMENTS

- **Attachment A** – May 14, 2013 Study Session Summary on a Comprehensive Housing Strategy

ATTACHMENT A
May 14, 2013 Study Session Summary on a
Comprehensive Housing Strategy

PRESENT

City Council: Mayor Matt Appelbaum, Mayor Pro Tem Lisa Morzel, Council Members Suzy Ageton, KC Becker, Macon Cowles, Suzanne Jones, George Karakehian, Tim Plass, and Ken Wilson.

Staff members: City Manager Jane S. Brautigam, Executive Director of Community Planning and Sustainability David Driskell, Acting Housing Division Manager Jeff Yegian.

Consultant: Heidi Aggeler, Managing Director, BBC Research and Consulting.

PURPOSE

The purpose of this study session was to:

- Launch a significant planning effort to develop a next generation housing strategy and related implementation tools which could respond effectively to current and projected housing issues and needs in a manner consistent with the community's vision and values.
- Define guiding principles, assumptions and a process framework for developing the strategy.
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OVERVIEW OF THE PRESENTATION AND DISCUSSION

The discussion began with opening remarks by City Manager Jane Brautigam. Ms. Brautigam said tonight is the start of a new project to develop a new comprehensive housing strategy for the community. It has been almost fifteen years since the last really in-depth policy discussion and so it is very welcome in Boulder. She recalled that the discussion began at the Feb. 12 study session with a conversation at the 30,000 ft. level, and now the goal was to bring the conversation down to a 10,000 ft level. It had always been the plan that this would be the scoping session for the Comprehensive Housing Strategy and the session will clarify how the city will move forward.

Housing policies are inextricably tied to all aspects of sustainability in the community, including land use, economic vitality, and social equity, and so the work requires a team approach. It is a collaboration of several departments including Community Planning and Sustainability, the Housing Division and the City Manager's Office, and that team effort is one that will continue. She then introduced Jeff Yegian, Acting Housing Division Manager and David Driskell, Executive Director of Community Planning as the facilitators for the evening.

Mr. Yegian explained that the meeting purpose was to define the key assumptions, the purpose of the strategy, the principles that will guide its development, and the process for engaging the community.

The key takeaways from the Feb. 12 study session were outlined for council reflection:

- High end housing for higher incomes is not a concern.
- Boulder is doing fairly well on its low income permanently affordable goal.
- Primary focus of this strategy is to provide greater choices for middle income households.
- Land use power is where the city has the most control and how its use could support affordability for middle-income households.
- More information is needed to move forward.

Council members questioned whether the city could look for new strategies for low income households. Mr. Yegian explained that low income households would continue to be an important focus of the city's housing policy but that a middle income focus would be a new layer of policy.

Heidi Aggeler of BBC Research and Consulting presented a summary of findings from the report BBC had prepared in advance of the study session. Her remarks included the following:

- Boulder continues to be a very successful and a very desirable location, which has not changed over the last decade. It has been a victim of its own success, reflected by the fact that affordable housing is very difficult for many residents or potential residents to obtain right now. This is true for both ownership units and rental units.
- Fortunately, however, Boulder has had long standing policies to achieve some level of housing affordability and the analysis showed that these policies have made a difference in Boulder.
- In the ownership market, single family detached product has become very expensive and it is easy to conclude that it is out of reach for middle-income households. However, attached products, which include condos and townhomes, have been very important in maintaining affordability.
- Boulder has had success in retaining renters and families, although the families are wealthier than they were 10 years ago.

Council Members posed a number of follow up questions to Ms. Aggeler.

- Regarding Accessory Dwelling Units (ADUs) and Owner Accessory Units (OAU): They do not significantly impact the affordability of a neighborhood but do contribute to a more diverse and balanced housing stock. Ms. Aggeler suggested exploration of [Austin's Alley Flat Initiative](#).
- Regarding how to tell if households, including students, are truly cost burdened: It is hard to tell. Those with disabilities and seniors with fixed incomes, however, are often cost burdened and those populations should be a legitimate concern in any community.

- Regarding the percentage of housing units that are rentals in a university town: A high percentage is typical and Boulder's 50/50 split between rental units and ownership units is less heavily weighted toward rental units than is typical for a university town. However, the market impact on lower incomes is more severe during this time than it has been in 20 years, as a landlord can profit more from renting to students than to a low-income family.

Key Assumptions

Staff presented and council discussed the Key Assumptions (full text on page 9 of the Study Session Memorandum)

Following the full discussion, it was agreed that staff would update the Key Assumptions to reflect the council conversation. Specifically, staff would:

- Update Assumption #2 to indicate that housing affordability can be improved, even if it cannot be solved.
- Update Assumption #4 to indicate that single family detached houses may be a part of the strategy but not the focus.
- Update Assumption #5 to indicate that the Area III Planning Reserve can be considered for future development.

Strategy Success

City Council members were then asked to describe the kind of accomplishments that would indicate that a new housing strategy had been successful. They were asked to do this as if they were looking back from the year 2018. Responses included:

- Boulder will have learned from models of success in similar communities.
- Boulder will have transformed an existing neighborhood into a model of mixed incomes and mixed housing types. Housing co-ops might contribute to this.
- With community support, Boulder will have held steady or improved in socioeconomic and age diversity. There would be a particular emphasis on middle income households and those 22-40 years of age.
- Boulder will still be on its way to achieving its goal of 10 percent of housing units being permanently affordable to low and moderate income households.
- Many surface parking lots will have been redeveloped into housing.
- The relationship between the city and its partners will be strong and will be producing the desired outcomes.
- All of the housing work will have been consistent with the community's sustainability values.
- The city will have incentivized the desired outcomes.
- Boulder will have been bold by increasing height and density in specific places, but density will have been accomplished before height.
- The city would have increased its number of "15 minute neighborhoods" from 3 to 7.
- The ADU/OAU project will have been completed.

- Boulder will have been more intentional about providing housing for those with special needs.
- Collaboration between the city and its local universities will have increased.
- An airport re-use study will have been completed.
- Affordable housing impacts will be regularly analyzed as part of all important policy decisions.

Council was then asked to consider challenges that might arise along the path to those accomplishments. Responses included:

- The addition of commercial zoning for “15 minute neighborhoods.”
- Educating citizens and residents on the need for and importance of these actions.
- Overcoming market forces in order to create the desired outcomes.
- Predicting and/or managing side-effects and unintended impacts of new policies or actions.
- Financial resources.
- Achieving long term funding to sustain the quality and condition of affordable housing.
- Increase in the number of students living in Boulder.

Finally, staff suggested that council think about what lessons might have been learned between 2013 and 2018. Responses included:

- The city needed to remove some barriers to the creation of “15 minute neighborhoods,” including taking action necessary to get bikes and pedestrians underneath roadways and highways.
- There was recognition of how difficult it is to achieve the community’s goals and therefore the necessary support and flexibility were provided to the affordable housing community.
- Successful pilots have shown that that infill and greater density can work and add to the quality of the community.
- The desired outcomes were facilitated by the creation of the proper tools.
- Partners were included in the planning and the implementation.
- It helped to have a strong regional approach.
- The city had the courage to act on its convictions.

Mr. Yegian commented that this project would not result in a specific plan, but rather in a series of strategies or thought processes that become ingrained within how the city approaches housing policy.

Draft Purpose Statement

Mr. Driskell explained the draft Purpose Statement. It was noted that the draft purpose statement did not include the word “affordable.” Staff agreed that the word “affordable” would be added.

Draft Guiding Principles

Mr. Driskell outlined the draft Guiding Principles (full text on pages 9-11 of the Study Session Memorandum). Council was in general agreement with the proposed Guiding Principles.

Process

Staff proceeded to explain the first phase of the strategy development process (full text on pages 11-13 of the Study Session Memorandum).

There was some discussion about the need for so much research in the first phase and the desire to begin or continue work on efforts that could produce results in a shorter time frame.

Staff shared a list of related efforts already underway:

- East Arapahoe Area Plan
- Transportation Master Plan
- Sustainable Streets and Centers project (strongly linked to the Transportation Master Plan)
- Access and Parking Management Strategy
- North Boulder Sub-community Plan update
- Economic Sustainability Strategy

It was asked when any of these efforts, along with the OAU/ADU project, would be completed, as there is a desire to get something moving. Staff provided brief updates and Mr. Driskell added that 2013 – 2014 strategic priorities need to be considered as council and staff think about how to accomplish all of the projects.

Staff began the wrap up by inviting council to consider the amount and type of community engagement most appropriate for the first phase of the strategy development process. The first phase plan, for May through October, was summarized. Staff will begin immediately developing the Requests for Proposals for the needs assessment, best practices research, and housing choices research. Staff does not anticipate broad public outreach at this time but may hold an open house to share draft results of the research before returning to council in October to discuss additional public engagement.

After settling on some revisions during the study session, council generally agreed with the Purpose Statement, Key Assumptions, Guiding Principles and process for moving forward.